

**BRANDES INVESTMENT PARTNERS, L.P.**  
**GLOBAL EQUITY: RUSSELL 3000 BENCHMARK**

FOR THE MONTH OF:                      **AUGUST**                      **2006**

**MANAGER PERFORMANCE CALCULATIONS**

\* Annualized returns

	Last <u>Month</u>	Last <u>3 Months</u>	Last <u>1 Year</u>	Last <u>3 Years*</u>	Last <u>5 Years*</u>
Brandes	3.38%	7.27%	19.41%	20.77%	12.29%
Russell 3000	2.45%	2.53%	8.76%	11.76%	5.63%

**PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS**

In August, portfolio return was positive and ahead of that of the world markets. Holdings in the US and in Europe were among the largest positive contributors to returns. Holdings in most other countries also had positive returns.

On an industry basis, holdings in food & staples retailing, semiconductors & semiconductors equipment, communications equipment and automobiles had the largest positive impact. Holdings in most other industries also had positive returns. Holdings in the largest industry in the portfolio (diversified telecommunications services) had positive performance but lagged the markets and the rest of the portfolio. The large underweight in oil, gas and consumable fuels had a positive impact on relative performance. Best performers for the month included Ford, Intel, Safeway and Tenet Healthcare. GM, Bristol-Myers Squibb and Deutsche Telekom were among the worst performers for the month.

In August, Brandes added one new name (Sara Lee), and sold one completely (El Paso). Also, it added shares to some existing holdings and pared back shares of other holdings.

The normal stock-specific trades, as well as changes in the prices of existing shares shifted the portfolio's country and industry exposures slightly. As of 8/31/06, the largest weightings remain in the US (very small underweight), diversified telecom services (large overweight) and pharmaceuticals (large overweight). Overall, Brandes believes the portfolio remains well positioned to deliver favorable long-term results.

While Brandes monitors short-term events in international equity markets, their investment philosophy focuses on company-by-company analysis with a long-term perspective. Although this summary includes shorter-term and top-down information, Brandes continues to focus on applying our bottom-up, value philosophy over the long term with the goal of delivering better-than-benchmark results.

**ORGANIZATIONAL/PERSONNEL CHANGES**

**ACCOUNT TURNOVER**

Gained:	Number of Accounts:	Total Market Value (\$m):	\$	-
Lost:	Number of Accounts:	Total Market Value (\$m):	\$	-
	Reason(s):			

**MANAGER STYLE SUMMARY**

*Brandes is a classic "bottom-up" manager, focusing primarily on individual security selection (while country allocation is a secondary consideration), with a "value" bias, purchasing stocks primarily on the perceived undervaluation of their existing assets or current earnings. Consequently, the securities in the portfolio will tend to have a higher dividend yield and lower P/E and P/Book ratios compared to the market. Brandes' classic Graham and Dodd value investment style combined with the relatively low number of stocks in the portfolio results in large gains or losses on the portfolio. What has been encouraging is that Brandes has turned in good returns when the markets generally have rewarded growth, rather than value, styles.*

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**PORTFOLIO GUIDELINE COMPLIANCE**

AUGUST

2006

Portfolio Guideline:	Index	Brandes	Calc	Min	Max	Compliance
B3. Security position <= 5% of the account @ purchase						ok
B4. Number of issues		80		40	70	check
B5. Normal Country Exposures:						
United States & Canada		49%		30%	100%	ok
Americas ex U.S.		3%		0%	40%	ok
United Kingdom		8%		0%	25%	ok
Europe ex U.K.		29%		0%	50%	ok
Japan		10%		0%	45%	ok
Pacific ex Japan		2%		0%	40%	ok
Non-Index Countries		0%		0%	20%	ok
Cash & Hedges		1%				
Total		100%				
B6. Normal International Portfolio Characteristics (FTSE All World ex U.S. "Large")						
Capitalization	\$50,412	\$51,794	103%	30%	125%	ok
Price/Book Value	2.3	2.6	110%	50%	100%	check
Price/Earnings	15.5	20.5	132%	50%	100%	check
Price/Cash Flow	9.4	8.0	85%	50%	100%	ok
Dividend Yield	2.5	2.9	115%	90%	150%	ok
B7. Normal U.S. Portfolio Characteristics (Russell 3000)						
Capitalization	\$89,694	\$63,577	71%	30%	125%	ok
Price/Book Value	2.8	2.9	104%	50%	100%	check
Price/Earnings	17.3	19.1	110%	50%	100%	check
Price/Cash Flow	11.7	9.8	84%	50%	100%	ok
Dividend Yield	1.9	2.4	131%	90%	150%	ok
C1. Currency or cross-currency position <= value of hedged securities						ok
No executed forward w/o a corresponding securities position.						ok
C2. Max forward w/ counterpart <= 30% of total mv of account						ok
F2. Brokerage commissions not to exceed \$0.05/share or 50% of principal (non-U.S.)						ok
F2. Annual turnover		28%			100%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

**MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES**

B4. Number of Issues:	Several equity securities of the same company (e.g., ADR/local). Also, due to the breakup of Telebras into several separate companies, trading at attractive valuation.
B6. Price/Book Value:	We found value in a number of companies with relatively low book values like communication/technology stocks.
B6. Price/Earnings:	We found value in a number of companies with low reported earnings like communication/technology stocks and Japanese stocks.
B7. Price/Book Value:	We found value in a number of companies with relatively low book values like communication/technology stocks.
B7. Price/Earnings:	We found value in a number of companies with low reported earnings like information technology stocks.